

**Regional Partnership  
For  
Decentralization and Local Governance  
In the Americas**

**USAID Quarterly Report IX  
October 1, 2000-December 31, 2000**

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## **1. Partnership Activity Summary**

The *Regional Partnership for Decentralization and Local Governance* will serve as a vehicle with which to implement the Summit of the Americas Plan of Action II, Strengthening Municipal and Regional Administrations. The *Partnership* will contribute to the LAC Regional Sustainable Development Office's Strategic Objective #5 (SO5): "Reinforcement of regional trends that deepen democracy in Latin America and the Caribbean." The *Partnership* will also contribute to LAC's Intermediate Result #2 (IR2): "Strengthened regional mechanisms to improve public sector legitimacy."

### **1.1 Component 1: Donor Consultation**

The international donor community will establish a Donor Consultative Group (DCG) for Decentralization and Local Governance in Latin America and the Caribbean. ICMA will serve as the DCG Executive Secretariat.

#### **Activities and Accomplishments this Quarter:**

The activities during this quarter have been focused on institutionalizing the Donor Consultative Group. The Technical Secretariat has developed a draft of the policies and procedures that will serve as guidelines for the International Forum for Cooperation on Local Government in Latin America and the Caribbean (the Forum). These guidelines will formalize the practices of the Forum and other issues discussed during the Steering Committee Telephone Conference Meeting of August 17, 2000. These guidelines are being reviewed internally and will be distributed to the Steering Committee for their review and input.

The work plan, which was developed in the previous quarter, was reviewed and approved by Paul Fritz of USAID. Subsequently, the Technical and Executive Secretariat distributed the work plan to the Steering Committee, soliciting input on the activities and priorities set forth in the document. (Annex I)

Just as importantly, the Technical and Executive Secretariat has contracted Mr. Jorge Otero to serve as a consultant to the Forum. His role will be to further institutionalize the Forum by developing strategies to garnish support and active involvement of the membership in Forum activities. He will also support Forum activities related to the Summit of the Americas and launch the training working group as well as a discussion on decentralization.

#### *Strategic Planning Meeting- the Banks*

On December 6, ICMA hosted a meeting with the Technical Representatives to the Forum from USAID, IDB and World Bank. Representatives from USAID's Planning and Budget and Civil Society and Participation Offices also attended. The objective of the meeting was to learn about what the IDB and World Bank saw as priority areas for

the Forum, and to strategize on how to address them. Clearly, two areas were seen as key: E-Government and Local Economic Development. USAID agreed that these areas are important for the Forum and suggested that the Secretariat work with FEMICA on local economic development.

Another important outcome of the meeting was the fact that the IDB and World Bank both felt that electronic meetings/conferences should serve to introduce a topic, but that physical meetings are also important. This was very interesting because at the onset of the project, founding members of the Forum felt that electronic media would be more advantageous, inclusive and less costly. The Secretariat is committed to working with virtual and physical settings to launch the working groups and other Forum activities.

#### *Municipal Finance Working Group*

During this quarter, the Forum's Municipal Finance Working Group, launched an E-Conference on Capital Markets. Initially, the RUDO office in Guatemala was to act as co-moderator for the Conference, but due to scheduling conflicts, they were unable to fulfill this role. The Technical Secretariat was able to successfully moderate the event in which a panel of experts was invited to participate in an exchange on financial disclosure and reporting requirements in capital markets. The event took place the week of October 30<sup>th</sup>. A total of 27 registered for the conference's temporary listserv. While not all of them participated actively in the event, they were able to read the interventions of their colleagues and learn about alternative ways of approaching this issue. The Technical and Executive Secretariat prepared the proceedings of the conference (Annex II) and distributed them to all members of the Forum through its listserv. The proceedings are also available on the Forum's website.

The Technical and Executive Secretariat has posted a discussion thread on "Measuring Fiscal Decentralization" on the Forum's message board. The Secretariat will be sending a message to its members informing them of this discussion and inviting them to actively participate by posting their responses on the message board.

#### *Disaster Mitigation Working Group*

During this quarter, the Forum's Technical and Executive Secretariat participated in the Office of Foreign Disaster Assistance's (OFDA) – NGO 20<sup>th</sup> Biennial Conference on "The Increasing Profile of Humanitarian Response" held in Washington, DC on November 20-21. The Conference centered on the three key issues: security, protection, and accountability. The Conference was structured so participants could attend regional discussions as well as thematic breakout sessions. Participation in this conference has helped to frame issues, priorities and actors as the Technical Secretariat prepares to launch the Disaster Mitigation Working Group.

#### *Effective Local Governance: Innovative Approaches to Improving Municipal Management – Montego Bay, Jamaica*

The Unit for the Promotion of Democracy at the OAS continues to edit the proceedings of the OAS Jamaica Conference. The OAS has expressed their regret, as they have not

been able to finalize the proceedings due to circumstances beyond their control. However, they expect to finish the report during the next quarter.

### **Activities for the Next Quarter**

- During the next quarter, ICMA will formally present a revised budget for the Cooperative Agreement to the LAC bureau for approval.
- Policy guidelines will be finalized and submitted to the Steering Committee for their comment and approval.
- The proceedings of the OAS Jamaica Conference will be finalized during the next quarter and disseminated to Forum members through the website and announcement in the Forum's E-newsletter.
- Training working group will launch its first activity during the next quarter.
- The Technical and Executive Secretariat will hold a discussion on Measuring Fiscal Decentralization on the message board of the Forum's website.

### **1.2 Component 2: Information Exchange and Networking**

*ICMA will work with regional entities to establish sustainable mechanisms for the exchange of information and experience between and among regional organizations, municipal associations and local governments, and NGOs throughout the Americas.*

#### *Summit of the Americas Follow-up*

Over the past quarter, the Forum has participated in a series of meetings to informally discuss local government items that will be included in the Strengthening Democracy basket and to address Summit follow-up processes. These meetings began as an informal exchange of ideas on implementing OAS Resolution AG/RES 1760 on Support to Mandates of the Summit of the Americas on Municipal and Regional Administrations and Civil Society, which calls for a high-level meeting to strengthen the process of decentralization in the Hemisphere. The OAS Permanent Council assigned the topic to the Committee on Inter-American Summits Management and the Permanent Mission of Bolivia volunteered to lead a working group for this effort. This working group would likely start deliberations on the issue at the end of January.

On December 18<sup>th</sup>, an informal meeting was held with representatives from USAID, OAS/UPD, the Permanent Mission of Bolivia to the OAS, the Permanent Mission of the US to the OAS and ICMA. During this gathering, participants considered that fundamental issues for the OAS working group to discuss included venue, date and agenda for the proposed meeting of high level authorities. A draft agenda for the meeting, prepared by the Minister of Sustainable Development of Bolivia, was also informally discussed. The development of a draft action plan, or Inter-American program in decentralization and the establishment of mechanisms for following-up on implementation were also seen as important topics to be taken up by the working group.

The informal group agreed to meet again on Jan. 17<sup>th</sup>, prior to the start of formal deliberation by the OAS working group. In preparation for this meeting, ICMA would prepare a new draft agenda for the high level meeting which would take into consideration the concerns raised on Dec. 18<sup>th</sup> and the Bolivian government's proposed agenda.

During this quarter, the Chilean Association of Municipalities (ACHM) and PARTICIPA, a Chilean NGO, presented a draft report on the implementation of the mandate of the Presidential Summit of the Americas in strengthening municipal and regional administrations. PARTICIPA summarized the responses received from a survey to governmental entities and municipal associations in Argentina, Bolivia, Chile, Colombia, Ecuador, Mexico, Paraguay, Peru, Uruguay, and Venezuela. The document is being reviewed by ICMA and comments will be presented to PARTICIPA early next quarter. Once approved, ICMA will present copies of this report to the Office of Summit Follow-up and other key actors of the Summit process.

#### *Forum Website*

After making significant improvements in its design, ICMA officially launched the Forum's website ([www.latinterforum.org](http://www.latinterforum.org)) during this quarter. Net Assessment, Inc., finalized all the sections of the website, including home, news, about the forum, site map, messages, search, library, meetings, programs, contact boards and administration site. Sections of the website that contain sensitive information are password protected and limited to Forum members only. These include the message board, contact board, and meetings section.

**News and Events:** With the website running, ICMA has been able to post and update relevant news and events.

**Meetings:** The Meetings section of the site was uploaded and includes proceedings of Forum meetings. This section will also contain minutes from meetings of the various working groups and the Steering Committee.

**Messages:** The Message board is up and running. Two messages have been posted on the site. The first message was intended to spark a discussion on the website itself and the second message is on measuring fiscal decentralization.

**Library:** The site's library contains over 200 documents and relevant sites. This section will continue to grow as links and documents are uploaded.

**Programs:** This section of the site is still under construction. ICMA will be hiring a part-time Research Coordinator to conduct research on the programs and policies of Forum members and other donors. Once gathered, this information will be placed in a practical and useful format and uploaded on the site.

Contact Board: The contact board contains contact information for all members of the Forum. During the next quarter, an improved e-mail system will be incorporated into the contact board to facilitate exchanges between Forum members.

Listserves: Two separate listserves have been created for the Forum: E-News and Feedback and Forum Members. The first listserv includes anyone who expresses interest in the Forum and is intended to distribute general information on Forum events, activities and decentralization news; the second one only includes members of the Forum. Both listserves are private and moderated by the Technical and Executive Secretariat.

#### *E-Newsletter*

The Forum's third E-newsletter was distributed during this quarter (Annex III). The E-newsletter highlights events and activities that have recently taken place or that will take place in the near future. It also informs Forum members of other relevant news items. The E-newsletters will come out bi-monthly, with periodic messages sent out through the list serve as needed.

#### **Activities for the Next Quarter**

- ICMA will continue to monitor summit preparatory meetings. It is expected that during the next quarter, outstanding issues regarding the high level meeting will be settled and the Forum's role in Summit Follow-up processes will be determined.
- During the next quarter, Net Assessment will finalize the improved E-mail system for the contact board. ICMA will encourage members to initiate discussions on the message board on issues they deem important. The Secretariat will hire a part-time Research Coordinator to begin researching member policies and procedures and uploading them on the website.
- ICMA will send out one E-newsletter to all Forum members during this quarter. In order to do so, ICMA will continually update the Forum contact list and keep in touch with Technical Representatives so that they can provide input on information and events.

### **1.3 Component 3: Local Government Training**

*ICMA will provide leadership in collaboration with U.S. and Latin American and Caribbean universities, regional and national associations, and municipal support NGOs in designing and implementing practical, affordable, needs-driven and results-oriented local government training programs in Latin America and the Caribbean.*

#### **Activities for the Next Quarter**

The activities planned for this component in the last Quarter were postponed and are expected to get underway during the next Quarter when, starting in March, ICMA will commit the time of a staff member with several years of experience in the field of local

government training to working with the Forum consultant, Jorge Otero, to engage Forum members on a discussion of the key issues involved in local government training in Latin America. This includes a Forum discussion on the results and lessons-learned of the Bolivian diagnostic and the creation of a working group. In as much as possible, the Forum will coordinate this activity with IULA/CELCADEL, which is expected to launch its Latin American training initiative early in 2001.

**ANNEX I:**  
**Workplan for the International Forum for  
Cooperation on Local Government in LAC  
corresponding to USAID FY01**

## **Work Plan for the Forum for Cooperation on Local Government in Latin America and the Caribbean (the Forum) – USAID FY01**

### **A. Steering Committee**

Result: Steering Committee, comprised of representatives of donor and technical cooperation agencies, provides guidance to and actively participates in the Forum.

Indicators:

- Steering Committee reviews and comments on the annual Forum work plan corresponding to USAID FY01.
- Policy guidelines for the Forum are approved by the Steering Committee.

Activities:

- 1) Technical Secretariat will submit Forum policy guidelines to the Steering Committee for their comment and approval. The guidelines will include an explanation of the roles and responsibilities of technical representatives, organization of working groups and use of Forum resources (e.g. website), among others. (1<sup>st</sup> Quarter USAID FY01)
- 2) Technical Secretariat submits the Forum's annual work plan, corresponding to USAID FY01, to Steering Committee for review. (1<sup>st</sup> Quarter USAID FY01)
- 3) Steering Committee reviews quarterly reports on implementation of work plan activities and provides guidance for future activities. (Follow USAID FY01 Reporting Schedule)
- 4) Steering Committee members assigns representatives within their institutions to actively participate in Forum activities, meetings and working groups. (USAID FY01)
- 5) The Steering Committee will hold one physical meeting per year to be arranged by the Technical Secretariat, which will also be in charge of organizing periodical virtual meetings. (USAID FY01)
- 6) Technical Secretariat continuously informs Steering Committee members, and vice versa, of events and activities related to decentralization and local governance in the LAC Region. (USAID FY01)

### **B. Information Exchange and Networking**

Result: Website and other tools provide Forum members, regional organizations, municipal associations and local governments with better access to information about decentralization and donor and technical assistance agencies' local governance projects.

Indicators:

- E-newsletter is distributed to Forum members on a bimonthly basis.
- Up-to-date information and materials on local governance projects, events, and activities is posted on Forum's interactive website.
- Representatives from regional organizations, municipal associations and local governments inform Technical Secretariat about and attend relevant events and activities promoted by the Forum's Technical Secretariat.

Activities:

- 1) Technical Representatives for new Forum members are identified and engaged in Forum activities. (USAID FY01)
- 2) Technical Secretariat prepares and distributes E-newsletters via Listserve and the Forum's website every other month. The E-newsletters highlight decentralization/local government events, available

resources (e.g. materials, information, websites), and innovative programs for local governments, municipal associations, and donor or technical assistance agencies. Undoubtedly, Forum members will share this information with colleagues working on the subject. Should these persons become interested in participating in the Listserve, they will be referred to the Technical Secretariat, which will filter subscriptions to the Listserve. Forum members will be encouraged to inform the Technical Secretariat of relevant information and updates for the E-newsletter. (USAID FY01)

3) The website for the Forum is continually updated through ICMA's contract with Net Assessment, Inc. ICMA will also designate a page administrator to facilitate updates. The Forum Website will contain the following sections:

- Home
- News and Proceedings
- About the Forum
- Site Map
- Contact Boards
- Message Board
- Library
- Policies and Processes
- Search.

The Technical Secretariat will inform Forum members about events, meetings, or conferences which might be of interest to them. Furthermore, the Technical Secretariat will determine where there might be an interest in having several Forum members participate and/or holding a panel or working group meeting on a related topic. Members of the Forum will also be encouraged to inform the Technical Secretariat of events such as these, so as to inform other Forum members. A key aspect here is enhancing the ability of the Technical Secretariat to obtain information from and boost the interest on the part of Forum members to report on exchanges that might have occurred formally or informally between Forum members. The Technical Secretariat will encourage attendance at relevant meetings. (USAID FY01)

## C. Membership Outreach/Expansion

Result: Increase membership of institutions in the field of decentralization and local governance to the Forum.

Indicators:

- Caribbean institutions working in decentralization and local governance or associations of Caribbean local governments become members of the Forum.
- Number of new participants in Forum events (including hits on website) and requests for information

Activities:

- 1) The Unit for the Promotion of Democracy at the OAS will finalize the proceedings from the OAS Jamaica Conference. The Technical Secretariat will then disseminate proceedings to Forum member participants through its website and announcement in E-newsletter (1<sup>st</sup> Quarter 2000)
- 2) The Technical Secretariat will develop an outreach strategy targeted at increasing participation of Caribbean institutions, associations, local governments, and NGOs in the Forum. ICMA will identify a liaison within CALGA and other Caribbean institutions to provide them with information on the Forum's activities and resources. ICMA will work alongside the Federation of Canadian Municipalities, the OAS and other current members of the Forum to try to increase participation and representation of the Caribbean in the Forum. (Develop Caribbean outreach strategy in 1<sup>st</sup> Quarter USAID FY01 and implement in 2<sup>nd</sup>-4<sup>th</sup> Quarters USAID FY01, subject to additional funding from USAID)
- 3) The Technical Secretariat will work through its current members to disseminate information within and outside their member organizations about the Forum and its resources. (USAID FY01)
- 4) The Technical Secretariat will develop and implement a marketing strategy for the Forum and the website. The strategy will look to disseminate information on how the website and other resources can support member activities and facilitate information sharing. The Technical Secretariat will showcase results from the working groups to appeal to members of the Forum who have not been as active in the past and other organizations working in the field of local government and decentralization. It is also expected that as a result of this marketing strategy, members will provide additional documentation for the website, such as institutional policies, reports, and case studies, as well as information on events and activities in the field of decentralization that can be shared with other members. (Develop strategy in 1<sup>st</sup> Quarter USAID FY01 and implement in 2<sup>nd</sup>-4<sup>th</sup> Quarters USAID FY01)

## D. Working Groups

Result: Improved technical coordination and information sharing among members of the Forum.

Indicators:

- Thematic working groups and discussion groups actively engage participants in Forum activities.

Activities:

- 1) Working groups on training, municipal finance, disaster mitigation and performance measurement are organized. (Training and municipal finance groups are organized during the 1<sup>st</sup> and 2<sup>nd</sup> Quarters of USAID FY01; disaster mitigation and performance measurement are launched during the 2<sup>nd</sup> Quarter of USAID FY01). The Technical Secretariat will identify one donor organization to lead each working group. An ICMA representative will also be identified and will act as the technical liaison to the working group and provide support to its activities. Technical Representatives will be asked to identify a member of their organization who would best represent their institution as their representative to the working group.
- 2) Representatives in charge of working groups will coordinate activities with the Technical Secretariat liaison. Technical Secretariat will conduct research and provide support for working group activities. The first task of the leaders of the working groups and Technical Secretariat liaisons is to prepare work plans which clearly demonstrate the objective of the working group, expected results and activities/events. Work plans for all working group will be ready by the 3<sup>rd</sup> Quarter of FY01.
- 3) Working groups will make full use of the Forum website and other IT resources to improve information exchange and to inform the rest of the Forum members about the working group results. (USAID FY01)
- 4) A discussion group will be held on the topic of decentralization. This discussion group will be led by an expert from a member organization or an independent consultant contracted by the Technical Secretariat. The discussion will take place on the Forum's bulletin board. The product of this discussion will be a document outlining different perspectives on decentralization and will be placed on the Forum's website. The Technical Secretariat will consult with the members of the Steering Committee to identify the expert and determine whether the discussion will be a general one or one based on a specific country's experience. Special attention will be paid to the issues brought out during the OAS Roundtable on Decentralization held in April 2000 (discussion organized end of 1<sup>st</sup> Quarter USAID FY01 and held end of 1<sup>st</sup> or beginning of 2<sup>nd</sup> Quarter FY01)
- 5) The Technical Secretariat will consult with the Steering Committee on whether or not to launch a working group on the role of municipalities in alleviating poverty. The Technical Secretariat will coordinate with CEPAL to determine what the parameters of the discussion group will be. The Technical Secretariat will organize with CEPAL a panel on the topic at the IDB Annual Governor's Meeting in Santiago, Chile in March 2001. (2<sup>nd</sup> and 3<sup>rd</sup> Quarters USAID FY01)

## E. Summit of the Americas Follow-Up

Result: Improved knowledge of and involvement in Summit preparation activities by Forum member participants.

Indicators:

- Thematic working groups discuss issues related to the Summit's mandate on strengthening municipal and regional administrations, specifically those issues outlined in the Miami Declaration of Mayors, and coordinate with Summit working groups (TBD)
- Information obtained by PARTICIPA through its subcontract with ICMA under this Agreement shared with Forum member participants through its website

Activities:

1. Meetings held with John Graham (FOCAL/FCM) and OAS Summit coordinators to determine ways that Forum working groups can collaborate with and add value to Summit working groups (TBD)
2. Information obtained by PARTICIPA is shared with Forum member participants through its E-newsletter and website. Discussion is fomented through an electronic forum to solicit comments on results (2<sup>nd</sup> Quarter FY01)

## F. Best Practices

Result: Greater knowledge and sharing of best practices in local government management and in technical assistance programs among Forum member participants

Indicators:

- Case studies of municipal best practices prepared by Habitat through a subgrant under this Agreement are disseminated to Forum member participants and specifically to IULA/CELCADEL and FEMICA for posting on their respective websites
- Forum website includes section on best practices in technical assistance programs, featuring donor/technical cooperation agency collaboration in program design and implementation.

Activities:

1. Forum member participants are made aware of municipal best practice case studies developed by Habitat (as well as the Municipal Best Practices Forum for Latin America and the Caribbean) and encouraged to comment through the Forum list serve or bulletin board (1<sup>st</sup> and 2<sup>nd</sup> Quarters FY01)
2. Technical Secretariat develops strategy to gather examples of technical assistance practices in local governance and decentralization that have included collaboration among several donors or technical cooperation agencies in their design and/or implementation (2<sup>nd</sup> Quarter FY01)  
Examples are posted on Forum website (FY01)

**ANNEX II:**  
**Proceedings of the E-Conference on Financial  
Reporting and Disclosure in Capital Markets**

## **E-CONFERENCE ON FINANCIAL REPORTING AND DISCLOSURE FOR CAPITAL MARKETS**

### **Executive Summary**

The first email conference on local government finance sponsored by the International Forum for Cooperation on Local Government in Latin America and the Caribbean (Forum) took place during the week of October 30 — November 3, 2000. With a focus on the information needs and systems for meeting those needs in the capital market place, the conference attracted 28 participants who subscribed to a temporary listserve to "listen" to a discussion among six practitioners.

The main objective of the E-conference was to expose the members of the Forum interested in local government finance to the views and understandings of experts who make their living either providing or making use of the information that goes to the market on local government borrowing. Another objective was to establish E-conferencing as a mode for communicating and learning among the members of the Forum.

The specific goals of the conference were two: (1) deliver to the Forum a document that gathered useful insights into the practicable aspect of financial reporting and disclosure in capital markets— a critical issue for many in the international cooperation community who work on local government capital financing issues; and (2) provide the space for a cross-section of the Forum to discuss and learn about an issue of common interest.

Both goals were achieved. The participants were treated to the very results-oriented views of the panelists as they discussed who needs financial information and how they use it. The participants learned that although the needs for this information vary according to the actors who seek it, the sources and the conventions for controlling for quality are largely the same. There was the presentation of a concept for how government can proactively assist local governments through the borrowing process in the open market. One of the participants generously provided a detailed account of recent municipal bond issuance in Argentina. Throughout the conference, the panelists offered practical recommendations on what to prioritize in planning for local government borrowing in the open capital markets.

The organizers of the event expected a more robust exchange both between the panelists and among the Forum participants. A number of factors may have contributed to a lower level of participation than expected. One has to have been the fact that this was the first E-conference that has been attempted by the Forum, possibly leaving some participants to see how this first event played out, before engaging more in future E-conferences. This was the case in the panel, as some of the panelists shared that this was their first involvement in an email conference. The results from the evaluation questionnaires that were emailed on the last day of the conference may provide some insight into this. When they become available, they will be shared with the participants.

### ***MONDAY, OCTOBER 30, 2000***

#### **MODERATOR: Question #1 - Who are the actors and what do they need?**

Well-established capital markets depend on many different actors to function efficiently. Each actor requires certain information to play his/her role well. Who are some of the principal key actors? What information do they need?

#### **Patrick Pate, Assistant City Manager for the City of High Point, North Carolina**

From my perspective as a North Carolina manager, there are several categories of key actors that function in capital markets.

There is a category of local actors which includes the local City Council or County Commissioners; the City or County Manager; the Finance Director, and the City or County Attorney. The local community (citizens) also plays a role in the granting of authority to local officials to issue debt on behalf of the community.

A second category of key actors involves professionals that actively participate in the capital markets. These actors include Bond Counsel, Underwriters and Financial Advisors.

The third category of actors consists of independent agencies and regulators of the capital markets. This would include the Bond Rating Agencies, the Government Accounting Standards Board and, in North Carolina, a regulatory agency called the North Carolina Local Government Commission.

The information needed by these different categories of actors is often very similar but may have some distinct differences. Local officials need to understand the needs of the local community and the financial condition of the local jurisdiction. A Comprehensive Annual Financial Report (CAFR), Annual Budget, Capital Improvements Plan and Multi-year Financial Forecasts provide a great deal of the information needed by this group. To effectively participate in the capital market, local officials need to be able to communicate the capital needs of the community that drive the need to borrow funds and the financial strategies in place to repay the debt once it is issued. In order to communicate effectively, local officials also need to understand the needs of the other actors in the capital markets.

Professionals play an important role in bridging the gap between the local officials that need the funds to provide for local needs and the investors that are willing to provide those funds in exchange for a specific return on their investment. The roles of these individuals vary widely by jurisdiction and by the structure of the instrument being used in the capital market. Generally, these actors need to have an excellent understanding of the laws and ordinances regulating the capital markets. This also includes knowledge of what the local jurisdiction is trying to accomplish through the capital markets and knowledge of what the investment community is seeking through their investments in the capital markets. Professionals often provide a vital link between the debt issuers and the investors in the capital markets.

The third group of actors generally provides the structure under which the capital markets operate. For each bond issued, they typically need to know how the capital funds will be used, what is the cost of providing these funds, what resources will be used to repay these capital funds and whether the local jurisdiction has the resources to pay back these funds. Since very few investors have the ability to get this information from the multitude of investment opportunities that are available they need standard ways of understanding the various investment opportunities. The Rating Agencies fill this gap by providing independent information on each debt issue. They review the economic conditions of a jurisdiction, their existing debt burden, the financial practices and standards used by the jurisdiction, the management and budget practices, and leadership stability of a jurisdiction.

In North Carolina we also have a State regulatory agency called the North Carolina Local Government Commission (LGC). This Commission serves as a clearinghouse for all capital market activities in the State of North Carolina. They are involved from the early stages of planning bond referendums to actually issuing Official Statements for local jurisdictions and receiving bids from underwriters. The LGC also receives and reviews annual financial statements from every local jurisdiction in North Carolina. This level of oversight and review has resulted in very stable capital markets for jurisdictions within the State.

**Laura Barrientos, Public Sector Analyst for Moody's Rating Services - Same Sources, Different Uses**

As a rating agency we work directly with all of the market participants on a daily basis. We offer the following information:

There are a number of actors that participate in advanced capital markets, each contributing an important and necessary element to the efficiency and success of that market. These players include:

- Borrowers
- Rating agencies
- Lenders or Investors
- Intermediaries
- Underwriters
- Brokers and dealers

Borrowers' participation in the market depends on several things including their need to borrow for financing, and their financial and legal ability to access the markets. Borrowers need to know about market conditions, how the other actors in the market perceive them, and how they may improve the credit terms they encounter in the market. Borrowers will be competing for market access and for buyers' attention, so they need to know current interest rates for comparable credits in the market involving a range of maturity schedules, and they need to know what credits they are compared to and why they are presumed comparable.

It is also important for borrowers to learn to market themselves well and to become known as reliable providers of capital market (credit) information about themselves even when that information may portray them in a negative light.

Rating agencies promote the efficiency of the capital markets by offering opinions about the relative risk of default of borrowers that market participants find reliable. These opinions must be based on an accurate understanding of the facts and circumstances that may affect the risk of default.

Such an understanding relies on information regarding finances, debt, legal structures, and economic or other conditions that may affect a borrower's financial performance and ability to repay its financial obligations. Relevant financial information includes details on a borrower's current financial position, history of financial performance, likely future performance and factors that may affect/alter future performance. Rating agencies also need information reflecting the borrower's current debt profile (amount owed, schedule of repayment, sources of repayment), contingent liabilities, expected future borrowings, and employee pension arrangements. They also need information on laws affecting the payment of debt; the current status and likely future trend of governmental responsibilities, and how these may change; possible changes in revenue flows and/or regulatory relations involving other levels of government; and the impact of reasonably foreseeable economic trends and volatility on financial and debt circumstances. The greatest need of lenders or investors' is to understand the borrower's likelihood of repaying its debt in accordance with the terms of the borrowing. While this likely relies on the same information that rating agencies require, there may be other information requirements as well.

The same holds true for intermediaries/underwriters/brokers and dealers, as they serve as conduits for investors and need to pass that information on to their clients.

#### **David Bean, Director of Research for the Government Accounting Standards Board - Generally Accepted Accounting Principles (GAAP)**

As an accounting standard setter, we deal with nearly all the players in the government capital market from the purchaser, in many cases, and the ultimate person responsible for the repayment of debt (the citizen), to the issuer of the debt (government officials), to the intermediary and often the holders of government debt (the financial community).

Other panelists have done an excellent job of identifying the specific class of players, so I will not repeat their efforts.

All of these players make decisions regarding government debt transactions and our job is to help provide information (through reporting requirements referred to as generally accepted accounting principles) to assist them in making those decisions. This information primarily takes the form of data on a government's financial position, results of operations, cash flows, and budgetary results; however, accounting standards that address the current fiscal and service capacity of a government to assist a financial statement user in assessing a government's economic condition have been established.

A decision-maker's need for information must be continually weighed against the cost of providing that information. In standard setting this has proven to be a difficult task, as we seek the cost of information that heretofore has not been provided and compare that to the potential influence that new information could have on any of the market players.

#### **Tuesday, October 31, 2000**

**MODERATOR:** Question #2 - Is it a single system, or is it a collection of separate parts?

We have now learned about the many different actors in the capital market and that although they each have their own particular information needs, they all look to certain networks and conventions to meet their information needs: CAFR's, ratings reports, and GAAP. One panelist also gave a brief but excellent description of a state-sponsored system in North Carolina that guides local governments through the capital borrowing process and helps control for quality on all the sides of the transaction.

Have we mentioned all of the critical mechanisms that provide and assure the quality of information that goes to the market? Are all of these mechanisms, conventions, etc. linked somehow to a common system, or are they separate structures that function independently of each other? From your perspective, what are the linkages? Is it a whole system? What is that system?

#### **Patrick Pate, Assistant City Manager for the City of High Point, North Carolina - Inter-related and Linked Systems Manage Risks**

I view capital markets as one interrelated and linked system. As a borrower, gaining access to the system requires an understanding of the system and of the needs of the players in the system as was discussed earlier. The capital market system seems to operate most effectively as a linked system between borrowers, investors and regulators. Other key players work to provide information that will link the needs of borrowers and investors while meeting the statutory requirements that have been established for these

transactions. This system revolves around the standards that have been set for the capital market system. Borrowers are motivated to work within these standards to gain the capital funds that they need and to achieve the lowest borrowing cost possible. Investors are motivated to provide capital to borrowers that are adhering to these standards to ensure that they have quality information on which to base investment decisions. The rating agencies want standards to assist them in making accurate judgements about the risk of default for each particular debt offering.

As a borrower in the market, we want to provide information needed by the raters, regulators and investors in standard forms that they can use. In our case, this means adhering to generally accepted accounting principles as promulgated by GASB in our financial statements and to standards adopted by the North Carolina Local Government Commission in the development of official statements, which are used to inform the marketplace about the bonds to be issued.

We also want to provide any additional information that might be of help to the rating agencies in determining our ability to repay the bonds under the conditions in which they are being offered. Likewise we want other competing issuers to also adhere to these standards to ensure the stability of the capital markets.

As a follow up to Monday's discussion on actors in capital markets, I would also note that the role of investors may be significantly more prominent in emerging capital markets as opposed to established capital markets.

Investors would likely require more detailed information and more scrutiny of the risk involved in emerging markets. This would be particularly true if the emerging market did not have standards or regulations to provide some level of protection to the investment community.

### **Wednesday, November 1, 2000**

**MODERATORS: Question #3 - What does an ideal system for financial reporting and disclosure in capital markets look like?**

Even in a well-established, highly developed market, the system for providing and communicating financial information is constantly evolving and improving itself. Is an ideal system being pursued or are improvements being made without regard to a long-term vision? From your perspective what is the ideal system? What are its critical elements and defining characteristics?

**Norma Caplán de Cohen, Plusconsult & University of Buenos Aires, School of Economics - What is Financial Management at the Local Level? - ¿Qué significa una gestión gerencial a nivel local?**

El enfoque gerencial de las finanzas municipales se centra en el desarrollo de instrumentos para el análisis y toma de decisiones tendientes al logro de objetivos concretos y no meramente del cumplimiento de normas legales de procedimiento. Se trata que el gobierno municipal sea un proceso creativo que se adapte a la crisis que surge de los mayores requerimientos de servicios frente a recursos que no crecen en consonancia.

En lo que hace a las finanzas municipales, a la prestación de servicios y al manejo de los recursos humanos, esta es una alternativa que de ninguna manera significa abandonar la misión social del municipio, sino de desarrollar las acciones de gobierno con una visión diferente. De alguna forma requiere pensar distinto y es un cambio cultural respecto al rol del sector público.

Ante la multiplicación de sus funciones y la escasez creciente de recursos se impone considerar al municipio como una gran empresa prestadora de un tipo de servicios diferente a los ofrecidos por el sector privado, se trata de servir a la comunidad garantizando el bienestar de sus miembros en lugar de perseguir el beneficio económico. Sin embargo, en la provisión de estos bienes, es necesario adoptar reglas de eficiencia y eficacia.

Con recursos escasos, debe tratar de lograr para sus socios (la comunidad), que a la vez son sus "clientes", los mayores rendimientos. Esto significa, para quienes dirigen el municipio, el desafío de capacitarse y capacitar a sus recursos humanos, a fin de adoptar una visión diferente basada en resolver problemas y no meramente en cumplir reglamentos. Nuevamente debe recalarse que esto no significa caer en un caos sin ordenamiento legal o perder de vista el objetivo social del municipio. Simplemente, dentro de ese marco de referencia, se debe poner el acento en las soluciones.

Básicamente se impone construir un municipio moderno y para ello es deseable que, los dirigentes políticos y los funcionarios técnicos, adopten una postura gerencial que complemente el tradicional enfoque legalista.

## MODERATOR: North Carolina Local Government Commission

The concept of a government agency dedicated to assisting local governments through the capital borrowing process may warrant special notice.

Earlier, Mr. Pate from North Carolina has mentioned the importance of the North Carolina Local Government Commission (LGC). He explained that the LGC "serves as a clearinghouse for all capital market activities in the State of North Carolina. They are involved from the early stages of planning bond referendums to actually issuing Official Statements for local jurisdictions and receiving bids from underwriters. The LGC also receives and reviews annual financial statements from every local jurisdiction in North Carolina. This level of oversight and review has resulted in very stable capital markets for jurisdictions within the State." It is one of the few states in the United States that provide this level of support and oversight on capital borrowing from local governments. The general result is that North Carolina local governments enjoy one of the highest comparable ratings in the country. The concept should prove interesting to international planners because it represents a mechanism that has been successfully built and used to secure access to capital markets for small local governments that otherwise may have had a much more difficult time getting in. Most other states leave it up to the municipalities to find their own way to the capital markets, allowing for some small and economically disadvantaged local governments to either be shut out of these markets or pay high prices for the capital they borrow.

### Laura Barrientos, Public Sector Analyst for Moody's Rating Services - Three Basic Questions an Educated User Should Ask

We approach this from the perspective of an educated user of financial statements who is not an accountant.

I find it most helpful when I have the answers to these questions:

1. Are there clear rules that govern the presentation of financial data? Are these rules explained adequately? What are the rules that determine receipts/revenue recognition, expense/expenditure reporting, and the scope of the entity being reported on? Are the rules applied consistently? To what extent and in what ways are the rules changing from one year to the next?
2. Is there sufficient information provided for the user of the financial reports to determine, regardless of the rules now applied (e.g., cash accounting vs. accrual accounting vs. some variation), what would be the impact on financial results if a different set of rules had been applied? Is there a clear relation between the result of financial operations and changes in financial position?
3. Are there adequate controls and checks in place to assure the user that the reports accurately and adequately reflect the financial activities that they are supposed to report on? If there are (governmental or private) auditors, do they appear to provide an appropriately independent perspective on the financial statements and their accuracy? Are those responsible for the financial statements able to answer questions about them that a user feels he/she can rely on?

In addition, as long as we're talking about an ideal system:

1. Is budgetary information presented in a format comparable to financial results, so as to facilitate an evaluation of budgetary performance?
2. Are the financial statements accompanied by management's report on the results, so that the reasons for significant variances (from budget or from the prior year results) are clearly explained?

## Thursday, November 2, 2000

### MODERATORS: Question #4 - How should you build a general system?

How does one build a general system for providing relevant, accurate and consistent financial information to the market? If you were starting from nothing, how do you see that such a system should be built? What should be the role of government? Mr. Pate mentioned the positive impact that the North Carolina Local Government Commission (LGC) has had with small local governments in that state. Is this something that more states should do? Would you recommend it as a strategy for building up emerging markets?

### Patrick Pate, Assistant City Manager for the City of High Point, North Carolina - Easy, Cost-Effective, Available, Complete and Standard

An ideal system for financial reporting and disclosure in the capital markets would consist of:

- Information that is easy to understand and cost effective to produce;
- Information that is readily available to all interested parties in the capital markets and easy to update by the issuer of the reports;

- Information that provides a reasonable and complete picture of the financial condition of the issuer; and
- Information that follows a fairly standard format.

A general debate that is currently becoming more prevalent is over the liability of producing information in alternative formats. Frequent issuers of bonds would like to make more use of electronic media such as governmental web sites to produce and release timely information to the capital markets rather than relying just on the periodic preparation of official statements. Concerns have arisen, however, over securities law issues and other liabilities associated with relying on this form of communication by both the issuers and marketers of these capital products.

Another key issue that was mentioned on Monday is to ensure that the costs related to producing information for the capital markets and meeting standards for financial reporting are consistent with the benefit derived from producing this information or meeting the standards. This is a key issue of concern to the preparers of financial reports and information.

### **Norma Caplán de Cohen, Plusconsult & University of Buenos Aires, School of Economics - Two Municipalities in Argentina Issue Bonds**

In Argentina, it is not common for subnational governments (provinces and municipalities) to use the capital markets as a source of financial revenue in terms of making public offers of bonds. However, there have been some cases that are interesting precisely because of the key actors involved.

The municipality of Rio Cuarto (population 150,000) issued bonds for US\$1 million and made investments in pension funds. They had to get approval from the provincial and federal governments, and the stock market. They obtained risk ratings, and got a public bank as an underwriter, which was backed by revenues from the tax sharing system.

The other case is Guaymallén (population 200,000). They issued US\$1 million in bonds backed by the revenues from oil royalties that the province shares with the municipalities. They obtained a waiver from the federal and provincial governments. A private firm qualified them and the titles were sent by the local stock market (Province of Mendoza) to buyers.

In my opinion, in both cases the hardest part for the local government was to disclose the real situation of their budgets. Despite this difficulty, this operation was an absolute success for Guaymallén. The point is that, at least in Argentina, population size is a critical factor because it determines the ability to repay debts. Also the present economic and political situation puts restrictions. Nevertheless, they do usually use loans (especially provinces and bigger municipalities) from the private banking system. In both cases the regulations are set by the Central Bank and most transactions need the approval of the National Government because they are backed with revenues from the automatic tax-sharing system. Right now there are no uniform and standard regulations for financial reporting except those involved in multilateral external transactions (World Bank, IDB, etc). Undoubtedly this practice (of independent agencies) would enhance the use of capital markets and would probably strengthen the emerging markets themselves by giving them independence and transparency that sometimes is missing not only by excessive intervention but also by lack of experience of subnational governments. Non-governmental institutions could help. The questions are: What steps should be taken in order to introduce such a practice? Based on the experience of other countries with high government involvement, should this change in financial culture and practice be made suddenly or gradually?

### **Laura Barrientos, Public Sector Analyst for Moody's Rating Services - Build Experience and Best Practices**

Building a system for providing financial information from the ground up does not have to mean reinventing the entire processes. We see so many systems that are already in place and a lot could be learned from studying these and seeing what might work - or not work- for a particular emerging entity. I think that having a central agency or commission to collect information and research different viable options would reduce the time and cost associated with the beginning stages of developing such a system. This would also provide a clear incentive and impel entities to begin to design one that would best serve their particular needs and those of the users of their financial information. For example, some states in Mexico are considering ways to standardize the presentation of financial information of their municipalities in order to provide it in a consistent manner.

In terms of deciding what is relevant, entities need to pin down who their most important user of this information is going to be. For rating agencies, for example, it is important that the information clearly

reflect the financial condition of an entity, provide factors relevant to the types of debt that an entity has or is considering and how it plans to pay that debt, and what the short and medium term plans are for an entity with regards to both their operations and debt. There are formats already in use to present this information that give us a good idea, fairly quickly, whether we have the necessary information to conduct our analysis. The adoption of a format that has been widely used and accepted by different market participants would go a long way towards providing the market a level of comfort with an emerging entity.

### **Patrick Pate, Assistant City Manager for the City of High Point, North Carolina – North Carolina Local Government Commission Helped Local Governments Get Back into the Capital Market After the Great Depression**

I agree with Ms. Barrientos' comments that hopefully you would not need to build a system from scratch as there are many systems that you can currently use to draw on in creating a system that will work for an emerging market.

At the local level the role of government is to provide relevant, accurate and consistent information to the capital market participants. Higher levels of government can help in the development of standard reporting procedures or this can be left to independent agencies established for that express purpose.

The North Carolina Local Government Commission has been a part of our debt management process since the depression in the 1930's led to several local government defaults. Many of my colleagues in other States prefer a more autonomous relationship with the capital markets without state regulations, and they are successful in the capital markets without these regulations. In either case, entities in emerging markets need to provide the capital market participants and, in particular, investors with some kind of assurance that the information that they are providing meets the criteria of being accurate and relevant. A model like the North Carolina Local Government Commission is one way of doing this but by no means the only way.

#### FRIDAY, NOVEMBER 3, 2000

### **Norma Caplán de Cohen, Plusconsult & University of Buenos Aires, School of Economics - Details on Argentine Municipal Bonds**

Below please find additional information on the bonds issued by two municipalities in Argentina.

Guaymallén was more successful than Río Cuarto, but both were related to the development of public works.

**PROGRAMA DE EMISION DE TITULOS DE OBRAS PUBLICAS MUNICIPALES DE GUAYMALLEN (TOG) - PROVINCIA DE MENDOZA - ARGENTINA:** Principales características de la emisión global.

Escriturales por un total de US\$3,000,000 en tres series de US\$1,000,000 cada una, con un vencimiento autorizado al 31 de marzo de 2001, tasa de interés máxima 12% anual vencido sobre saldos, garantía en títulos públicos o anticipación provincial, destinado exclusivamente a la realización de obras públicas reembolsables.

Breve reseña de los TOG

El TOG1 fue emitido por US\$1,000,000 el 18 de diciembre de 1996, a dos años y siete meses de plazo, con cinco servicios semestrales de amortización del 20% cada uno, e intereses al 10% anual, con vencimientos: 31/7/97, 31/1 y 31/7/98, 31/1 y 31/7/99.

El TOG2 fue emitido por US\$1,000,000 el 18 de marzo de 1998, a un año y cuatro meses de plazo, con dos servicios de amortización del 50% cada uno, e intereses al 9.5% anual, con vencimientos 31/1 y 31/7/99.

Los lanzamientos fueron exitosos habiendo recibido el agente colocador, Mercado de Valores de Mendoza S.A., ofertas de compra por montos significativamente superiores a los emitidos. Cuentan con el respaldo de sendos fideicomisos originales de aproximadamente 1,190,000 y 1,260,000 BOTE 3 residuales al momento de las respectivas emisiones, transferidos en propiedad fiduciaria a la Caja de Valores S.A. Ambas emisiones recibieron la nota "AAA", la máxima calificación doméstica, por Magister/Bank Wath y Standard & Poors, calificadoras de riesgo. Las calificaciones trimestrales posteriores han mantenido dicha nota.

El destino de los fondos TOG1 fue la construcción de cordones, cunetas y banquetas y el TOG2 el pavimento mediante capa asfáltica, en ambos casos en calles de diversos Distritos del Departamento, mediante el sistema de obra pública reembolsable por los frentistas beneficiarios directos.

La tercera serie

El valor nominal de la emisión es de US\$1,000,000 y su fecha de emisión fue el 5 de agosto de 1999. Cinco servicios de amortización del 20% cada uno, e intereses atendidos con fideicomiso de Bonos de Consolidación de Deudas Provisionales en dólares primera serie (PRE2) con vencimientos 1/12/99, 1/4 - 1/8 y 1/12/2000 y 31/3/2001. Tasa de interés fija del 11.5%.

Autorización de la emisión

Se autorizó al Departamento Ejecutivo Municipal a emitir el Título de Obras Públicas Municipales de Guaymallén (TOG) mediante una ordenanza. La emisión de la tercera serie debió contar con autorización expresa y previa del Consejo Deliberante.

La Ley Provincial #1079 Orgánica de Municipalidades, dispone que corresponde al HCD solicitar autorización al Poder Legislativo Provincial para contraer empréstitos con emisión de títulos para la ejecución de obras nuevas siempre que el servicio anual de los empréstitos y deuda consolidada no exceda a la del veinte por ciento de su renta total.

A su vez debe pedirse autorización a la Secretaría de Hacienda de la Nación para endeudarse en moneda extranjera.

La emisión se garantiza con títulos valores que posee el municipio y/o con coparticipación provincial. En este último caso el Departamento Ejecutivo puede afectar hasta un 15% de los fondos coparticipables y celebrar convenios con el Ministerio de Hacienda de la Provincia de Mendoza.

Los fondos obtenidos son destinados exclusivamente a obras reembolsables, debiendo detallarse, en la emisión de cada serie, las que serán financiadas con este recurso. El Departamento Ejecutivo esta autorizado a considerar reembolsables dichas obras y a cobrar anticipos sobre las mismas.

#### EMISION DE OBLIGACIONES MUNICIPALES - MUNICIPALIDAD DE RIO CUARTO, PROVINCIA DE CORDOBA

La municipalidad de Río Cuarto emitió Obligaciones Municipales en dólares Estadounidenses, al portador. El monto total del empréstito es deuda US\$3,000,000. El registro de las obligaciones fue llevado por la Caja de Valores S.A. Su emisión fue decidida mediante una Ordenanza del Consejo Deliberante en 1994. El periodo comprendido entre las fechas de suscripción y la fecha de pago de la última cuota de amortización del capital, se dividió en 12 periodos sucesivos de 90 días, cada uno de los cuales constituyó un periodo de intereses. La tasa de interés aplicada sobre los saldos de capital no amortizados fue del 10% nominal anual para los primeros cuatro trimestres, 10.5% nominal anual para los cuatro trimestres sucesivos y 11% para los trimestres restantes.

Las amortizaciones fueron en 5 cuotas crecientes de acuerdo al siguiente esquema: la primera equivalente al 10% del total. La segunda igual al 15% del total, la tercera igual al 20% del total, la cuarta equivalente al 30% del total, correspondiendo a la última el 30% restante.

Las Obligaciones Municipales por capital e intereses emergentes de los valores de que se trata fueron afianzados con efecto a partir de la fecha de suscripción por el Banco Social de Córdoba.

Una ordenanza (514/93) facultó al Departamento Ejecutivo a comprometer hasta el 15% de los fondos coparticipables en calidad de garantía.

En los convenios firmados con el Banco Social de Córdoba, quedó establecida la creación de un Fondo de Garantía en esa Institución, a los fines de asegurar los fondos necesarios para hacer efectivos los pagos de renta y amortización. Dicho fondos podían ser utilizados solamente para cubrir servicios y amortizaciones emergentes de la emisión de Obligaciones Municipales.

La Bolsa de Comercio de Córdoba dio la autorización para que la Municipalidad de Río Cuarto cotice las Obligaciones Municipales.

El Departamento Ejecutivo de la Municipalidad de la Ciudad de Río Cuarto fijó para la ida de la apertura del periodo de suscripción el precio mínimo de colocación por debajo del cual no se aceptaron ofertas de suscripción, informando de ello por escrito a la Bolsa de Comercio de Córdoba.

Los fondos provenientes de la suscripción de estas Obligaciones Municipales fueron destinados al financiamiento del Plan General de Obras Públicas de la Municipalidad.

#### MODERATOR: Question #5 - What advice would you give to planners in developing countries?

Please share your perspective on what is most critical aspect, for local governments that have never been in the capital market, to focus on as they try to borrow.

What advice would you give planners who are trying to help local governments in developing countries gain access to the capital markets? What would you advise for getting capital markets to open up to local governments in these countries?

## **Patrick Pate, Assistant City Manager for the City of High Point, North Carolina - Make Sure Support for the Project is Solid**

For local governments that are seeking to enter the capital market for the first time I would recommend that they make sure they have solid support from their constituents and from their elected leadership as to the projects that they will be seeking to fund and a stated commitment with an adopted plan on how the funds that are borrowed will be paid back. Both of these items are crucial to being successful. Investors will likely be unwilling to invest in projects that have marginal support or in governments that do not have a well thought out plan on how to complete the projects and pay back the investors.

Local officials in emerging markets must seek out experts to advise them on the requirements that will be necessary to meet in order to become established in the capital market. A private placement may be necessary as a first step to put the processes and standards in place that will allow for broader participation in the market in the future.

Federal or state governments can help local governments participate in the capital markets by making sure that the statutory authority for participating in capital markets is prepared in a way that enables local governments to provide reasonable assurances to the market that the bonds can and will be repaid under the conditions established under the bond offering. This could include some oversight responsibility and setting of standards for financial reports and other associated documents required by the capital market participants.

**ANNEX III:**  
E-Newsletter

## LAC FORUM E-NEWS

The Secretariat will be sending the E-News Bulletin on a bi-monthly basis with information about the Forum and from the Forum. Please send interesting news items to [nvillalobos@icma.org](mailto:nvillalobos@icma.org) for inclusion in the LAC Forum E-News Bulletin. Thank you!

## PAST EVENTS

### ***E-Conference on Municipal Finance Week of October 30, 2000***

The Forum's Municipal Finance Working Group held a one-week E-Conference to discuss Financial Reporting and Disclosure in Capital Markets. Topics discussed included: the actors in capital markets and their needs for financial reporting and disclosure, the type of system such reporting requires, and how it would be best assisted in developing countries. The proceedings from the conference are available on the Forum's website [www.latinterforum.org](http://www.latinterforum.org).

### ***LAC Regional Preparatory Meeting for Istanbul+5 Santiago, Chile, October 25-27, 2000***

The Latin America and the Caribbean regional meeting for Istanbul +5 was organized in close collaboration with the Regional Economic Commission, ECLAC, as part of the preparatory process for the Special Session of the UN General Assembly for an Overall Review and Appraisal of the Implementation of the Habitat Agenda (Istanbul +5). The purpose of the regional meeting was not only to review progress made but also to identify and agree on concrete initiatives for extending and strengthening action to implement the Habitat Agenda commitments and achieve its goals in the regions. The final report from the meeting is available in Spanish at [www.eclac.org](http://www.eclac.org).

## UPCOMING EVENTS

### ***42<sup>nd</sup> Annual Meeting of the Board of Governors of the IADB Santiago, Chile, March 19-21, 2001***

The Forty-second Annual Meeting of the Board of Governors of the Inter-American Development Bank and Sixteenth Annual Meeting of the Board of Governors of the Inter-American Investment Corporation will be held in Santiago, Chile, from 19 to 21 March 2001. As in the past, the Bank and the host country are sponsoring a series of seminars on topics of interest to participants.

For more information on the IADB Meeting, visit [www.iadb.org/exr/am2001/index.htm](http://www.iadb.org/exr/am2001/index.htm).

### ***35<sup>th</sup> IULA and 16<sup>th</sup> FCMU Unity Congress - Building the Community Agenda Rio de Janeiro, May 3-6, 2001***

Rio de Janeiro is organizing the IULA/FMCU Unity Congress, of the International Union of Local Authorities – IULA, and the “Fédération Mondiale des Cités Unies” – FMCU, to be held from 3 to 6 May 2001. This event constitutes the first Congress held by these institutions in the 21st Century. To an ever-increasing extent, both cities and their citizens are becoming more involved in understanding their roles within a world that is already functioning under new standards. The building of “The Community Agenda” which will include an effective governance, the social inclusion, decentralization and citizen participation, the quality of service delivery, will depart from the presentation and debate of cities, villages, rural settlements and cities associations and their projection in a national and international level.

For more information on the event, please visit [www.rio.rj.gov.br/iula-fmcu/index.html](http://www.rio.rj.gov.br/iula-fmcu/index.html).

## NETWORKING OPPORTUNITIES

### ***Decentralization Homepage***

The World Bank Institute, through its [Intergovernmental Fiscal Relations and Local Financial Management Program](#) and in cooperation with its partners worldwide, seeks to facilitate the exchange of information to promote access and application of know-how. Their web page ([www.worldbank.org/decentralization](http://www.worldbank.org/decentralization)) is a global "entry page" for making information available on intergovernmental institutions and capacity building initiatives related to the topic of the economics and politics of decentralization - the sorting out and sharing of public sector function and authority among governments.

### ***OAS Decentralization Website Launched***

The OAS Website on decentralization and local governance has been established by the Program of Cooperation in Decentralization, Local Government and Citizen Participation, a Program implemented by the Unit for the Promotion of Democracy, General Secretariat of the Organization of American States (OAS) . This site can be accessed through the main OAS site at [www.oas.org](http://www.oas.org) or at [www.descentralizacion.org](http://www.descentralizacion.org)

The Web site includes information on program activities such as seminars and training workshops, as well as other features and items of information such as publications and web links to other organizations.

## PUBLICATIONS

### ***Association of Mexican Municipalities (AMMAC)***

Visit AMMAC's on-line bookstore and order documents/books on municipal issues in Mexico. For ordering information visit [www.ammac.org.mx](http://www.ammac.org.mx) under the news section.

***For comments or input to the LAC Forum E-News Bulletin, please contact Noy Villalobos of the Forum Technical and Executive Secretariat at the following e-mail: [nvillalobos@icma.org](mailto:nvillalobos@icma.org).***

***Don't forget to visit the Forum's website at [www.latinterforum.org](http://www.latinterforum.org).***

***Have a safe and happy holiday season!***

**ANNEX IV:**  
**Quarterly Financial Report Summary**